

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Conference on Enforcement Policy

Docket No. AD07-13-000

SECOND NOTICE OF CONFERENCE

(October 4, 2007)

As announced in the “First Notice of Conference on Enforcement,” issued on July 11, 2007, the Federal Energy Regulatory Commission (Commission) will hold a conference on November 16, 2007, to examine the implementation of its enforcement authority as expanded by the Energy Policy Act of 2005 (EPAcT 2005).¹ The conference will be held in the Commission Meeting Room at the Commission’s headquarters located at 888 First Street, N.E., Washington, D.C. 20426.

The purpose of the conference is to assess the enforcement program implemented by the Commission during the first two years after passage of EPAcT 2005 primarily as it pertains to the additional subject matter authority and the expanded civil penalty authority in Part II of the Federal Power Act² and the Natural Gas Act.³

The tentative schedule and topics for the conference are as follows:

9:00 am – 9:30 am	Opening Remarks
9:30 am – 11:00 am	First Panel— <i>The First Two Years of EPAcT Enforcement</i>
11:00 am – 11:10 am	Break
11:10 am – 12:30 pm	Second Panel— <i>How Enforcement Fits into the Commission’s Mission</i>
12:30 pm – 1:30 pm	Lunch break
1:30 pm – 3:00 pm	Third Panel— <i>Enforcement of Reliability Standards</i>
3:00 pm – 3:15 pm	Closing Remarks

¹ Pub. L. No. 109-58, 119 Stat. 594 (2005).

² 16 U.S.C. §§ 791a *et seq.* (2000).

³ 15 U.S.C. §§ 717 *et seq.* (2000).

The first panel will focus on an overview of enforcement from a broad policy perspective, including how the Commission balances a firm approach to enforcement of its major rules, regulations, and orders with fair treatment of all persons that may be subject to remedies and sanctions for their conduct. The discussion will examine how the Commission can best achieve compliance with regulatory requirements, and will address how the Commission evaluates enforcement cases, including self-reported violations and matters that result in no penalty, and how companies subject to investigation can best respond to the Commission.

The second panel will focus on how entities relate to the Commission in light of the newly enhanced EAct 2005 enforcement authority and the Commission's ongoing regulatory functions. The discussion will examine when companies should direct inquiries or problems to the Office of Enforcement and when they should be directed to other Commission program offices. The Commission is interested in how well the Commission responds to matters that involve regulatory policy as well as having enforcement aspects. In addition, the discussion will focus on the relationship between the Commission's audit functions and enforcement activity and whether the No-Action Letter program⁴ is useful in obtaining guidance on potential enforcement issues.

The third panel will focus on reliability issues. With the new responsibilities given to the Commission by EAct 2005 with respect to the reliability of the nation's bulk power system, the Commission has approved numerous reliability standards that now are mandatory, and has authorized an enforcement mechanism through Regional Entities and the Electric Reliability Organization (ERO). This discussion will look at how the Regional Entities and the ERO are processing self-reported violations and other compliance matters, and will address emerging practical issues of enforcement as well as the Commission's own authority to enforce mandatory reliability standards and its interest in the most effective way to achieve compliance with the standards.

A further notice will be issued before the conference to finalize the conference format and schedule. The Commission anticipates that it will also issue background material to assist in framing the discussion. Also, we note that the following topics will not be discussed as they are involved in or implicated by pending Commission proceedings: standards of conduct, market monitoring, transparency, and market manipulation.

To ensure adequate time to engage in a meaningful dialog, participants on each panel will be limited to four or five people. Anyone interested in participating as a

⁴ *Informal Staff Advice on Regulatory Requirements*, 113 FERC ¶ 61,174 (2005), as modified by 117 FERC 61,069 (2006).

panelist may contact Anna Cochrane, Deputy Director of the Office of Enforcement, by email at anna.cochrane@ferc.gov or by phone at (202) 502-8100.

As previously noted, all interested persons are invited to attend the conference, and there is **no** registration fee to attend. The conference will not be transcribed but will be web cast. A free web cast of this event will be available through www.ferc.gov. Anyone with Internet access who desires to view this event can do so by navigating to www.ferc.gov's Calendar of Events and locating this event in the Calendar. The event will contain a link to its web cast. The Capitol Connection provides technical support for the web casts and offers access to the meeting via phone bridge for a fee. If you have any questions, you may visit www.CapitolConnection.org or contact Danelle Perkowski or David Reininger at 703-993-3100.

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Kimberly D. Bose
Secretary